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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:

THE COMMISSIONER OF BUSINESS
OVERSIGHT,

Complainant,

v.

ROBERT JOHN CENKO; And
NORTHWESTERN WEALTH
MANAGEMENT, INC.,

Respondent.

CRD No.: 283002

STATEMENT OF ISSUES IN SUPPORT OF
NOTICE OF INTENTION TO ISSUE ORDER
DENYING APPLICATION FOR AN
INVESTMENT ADVISER CERTIFICATE

Complainant, the Commissioner of Business Oversight (“Commissioner”) is informed and believes, and based upon such information and belief, alleges and charges Respondent Northwestern Wealth Management, Inc. (“NWWM”) as follows:

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Introduction

1. NWWM is, or was, a California limited liability company formed on April 9, 2015, with a principal place of business located at 8322 Clairemont Mesa Blvd, Suite 110, San Diego, California 92111.

Statement of Facts

15 6. On February 26, 2016, NWWM, through its officer, Cenko, filed an application with
16 the Commissioner for an investment adviser certificate through the Investment Adviser Registration
17 Depository (“IARD”). NWWM’s application listed Cenko as the sole owner and managing director
18 of NWWM.

19 7. The IARD also disclosed that on or about June 14, 2016, Cenko’s previous employer,
20 Northwest Asset Management, LLC terminated Cenko’s employment for “borrowing money from a
21 client.”

22 8. On August 11, 2016, the Commissioner made written demand on Cenko to clarify
23 and/or provide documents relating to his discharge from Northwest Asset Management, LLC.
24 Cenko responded to the Commissioner's request by letter dated August 19, 2016, in which he
25 confirmed that he borrowed money from his client, and provided a promissory note dated May 12,
26 2016 evidencing the loan.

¹ All further references are to the Corporations Code unless otherwise stated.

III**Authority to Deny NWWM's Application for an Investment Adviser Certificate**

9. Corporations Code section 25238 provides in pertinent part:

No investment adviser licensed under this chapter and no natural person associated with the investment adviser shall engage in investment advisory activities, or attempt to engage in investment advisory activities, in this state in contradiction of such rules as the commissioner may prescribe designed to promote fair, equitable and ethical principles.

10. California Code of Regulations section 260.238 (f) provides in pertinent part:

The following activities do not promote fair, equitable or ethical principles, as that phrase is used in Section 25238 of the Code:

...

(f) borrowing money or securities from a client unless the client is a broker-dealer, an affiliate of the adviser, or a financial institution engaged in the business of loaning funds or securities.

11. Corporations Code section 25232 provides, in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing, by order ..., deny a certificate to, ... an investment adviser, if the commissioner finds that the ... denial ... is in the public interest and that the investment adviser, whether prior or subsequent to becoming such, or any partner, officer or director thereof or any person performing similar functions or any person directly or indirectly controlling the investment adviser, whether prior or subsequent to becoming such, or any employee of the investment adviser while so employed has done any of the following:

...

(h) Has violated any provision of this division or the rules thereunder or, in the case of an applicant only, any similar regulatory scheme of the State of California or a foreign jurisdiction.

12. The Commissioner finds that Cenko has violated California Code of Regulations, Title 10, section 260.238 (f) by borrowing money from a client who is not a broker, dealer, NWWM's affiliate, or a financial institution engaged in the business of loaning funds or securities. Cenko is, sole owner, managing director, and control person responsible for NWWM's activities in this state. Therefore, NWWM's officer has violated a provision of the CSL or the rules thereunder.

1 WHEREFORE, based upon the foregoing, the Commissioner finds it is in the public interest
2 to deny an investment adviser certificate to NWWM, pursuant to section 25232 in light of Cenko's
3 violation California Code of Regulations, Title 10, section 260.238 (f) as specified in section
4 25232(e).

5 WHEREFORE, IT IS PRAYED that Respondent Northwestern Wealth Management, Inc. be
6 denied an investment adviser certificate pursuant to section 25232.

7 Dated: November 17, 2016

JAN LYNN OWEN

8 Commissioner of Business Oversight

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10 By _____
11 UCHE L. ENENWALI
12 Senior Counsel
13 Enforcement Division
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